



MINUTES OF THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Sachi A. Hamai, Executive Officer-
Clerk of the Board of Supervisors
383 Kenneth Hahn Hall of Administration
Los Angeles, California 90012

At its meeting held June 17, 2008, the Board took the following action:

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The following item was called up for consideration:

The Chief Executive Officer's recommendation to approve and authorize the Interim Director of Health Services to execute 57 Public-Private Partnership (PPP) Program Health Care Services Agreements with various providers for the provision of primary, specialty, and dental care Countywide, and for expanded primary care services in Service Planning Area (SPA) 6, effective July 1, 2008 through June 30, 2010, at an annual cost of \$56,666,480, with provisions for a 12 month automatic renewal through June 30, 2011, in the amount of \$55,254,732; also authorize the Interim Director to enter into and execute any subsequent amendments to revise or add any program requirements; and to execute amendments to adjust funding (increase/decrease) during each Fiscal Year that the agreement is in effect, should the Department determine through a mid-term review that providers are under-utilizing funds and reallocate funds to another provider(s) of the same services in an under-equity SPA(s) and/or within the same SPA in accordance with the Board-approved Allocation Methodology Plan on April 22, 2008, not to exceed the Board-approved total County maximum obligation; and authorize the Interim Director to take the following related actions:
(Department of Health Services)

Enter into and execute any subsequent amendments for funding adjustments to utilize unspent prior Fiscal Year funds, on a one-time only basis for each Fiscal Year, beginning in Fiscal Year 2008-09, utilizing unspent Fiscal Year 2007-08 funds, should the Department identify any such unspent funds; and

Enter into and execute any subsequent amendments to increase funding up to, but not to exceed, 25% of the base maximum obligation of each Fiscal Year that the agreement is in effect, should the Department identify additional funding to be allocated.

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Louise McCarthy, Angel Obregon and Jamesida E. Henderson addressed the Board.

After discussion, Supervisor Yaroslavsky made the following statement:

“On April 22, 2008 the Board of Supervisors adopted the report and recommendations of the five-member Public-Private Partnership (PPP) Allocation Formula Working Group. The recommendations were the culmination of five public meetings held with current and potential future PPP providers and other stakeholders in an effort to develop an equitable distribution of limited County funds to meet the healthcare needs of uninsured and underinsured residents of Los Angeles County. The Working Group developed a 2008 Allocation Formula that was entirely based on the distribution of unmet need by Service Planning Areas (SPAs). However, applying this 2008 Allocation Formula would result in large shifts of funds between SPAs, potentially disrupting services sought by PPP patients who are not bound by geographic boundaries. Clearly, the Allocation Formula is not a perfect mechanism for meeting the healthcare needs of our patients. As a result, the Working Group did not recommend applying the new Allocation Formula for the redistribution of the PPP funds between SPAs, but rather recommended using the 2008 Allocation Formula in the event new, unallocated funds become available for distribution in the PPP program.

“The Working Group successfully completed its task of developing the 2008 Allocation Formula, but its meetings highlighted the need for continued discussions between the Department of Health Services and PPP providers and stakeholders. The Working Group’s report discussed the need to include other factors in determining the distribution of funds by SPA. Some of those factors include the catchment areas for PPP providers with overlapping SPA boundaries, patient patterns of care such as SPA of residence compared to SPA of services, and capacity by SPA. Continued discussions with PPP providers and stakeholders will help ensure the greatest efficiency and maximization of limited PPP County funds.”

Therefore, on motion of Supervisor Yaroslavsky, seconded by Supervisor Knabe, unanimously carried, the Board took the following actions:

1. Adopted the Chief Executive Officer’s attached recommendation;

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24 (Continued)

2. Instructed the Interim Director of Health Services, with the assistance of the Chief Executive Officer, to:
 - Convene a meeting with the leadership of the Community Clinics Association of Los Angeles County (CCALAC) and its members to further discuss the potential for distributing funds, including new, unallocated funds and unspent year-end funds, on the basis that involves both SPA boundaries and service categories and other factors; and
 - Develop alternative methods of addressing unmet needs as noted in the April 22, 2008 PPP Allocation Formula Working Group's report; and
3. Instructed the Interim Director of Health Services to report back to the Board within 45 days after the execution of the new PPP contracts on the status of the continued discussions with CCALAC and PPP providers.

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Attachment

Copies distributed:

Each Supervisor
Chief Executive Officer
County Counsel
Interim Director of Health Services